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UNCLAS SECTION 01 OF 02 PRETORIA 000924

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SUBJECT: CHARGE D'AFFAIRES CALLS ON DEPARTMENT OF TRADE AND  
INDUSTRY DIRECTOR GENERAL

PRETORIA 00000924 001.2 OF 002

1. (SBU) Summary. Department of Trade and Industry Director General Tsheido Matona said the time was right to move forward on the U.S./SACU Trade, Investment and Development Cooperation Agreement (TIDCA). In a meeting with the Charge d'Affaires on April 29, he saw TIDCA as a venue for promoting private sector ties and removing impediments to bilateral trade. The South African government does not intend to institute protectionist policies in response to the global economic crisis, said Matona, and the U.S. must lead the worldwide commitment on protectionism. Matona confirmed that President-Elect Zuma's new trade minister will attend the Corporate Council on Africa meeting in Washington in September and that he would urge Zuma to lead South Africa's delegation. Matona requested that a Cabinet-level official lead a U.S. delegation to a trade and industry conference in South Africa in October. The International Trade Administration Commission plans to seek clarification on the 2007 Supreme Court of Appeal ruling to lift the anti-dumping measures on U.S. poultry parts. End Summary.

2. (SBU) South Africa wants to deepen its trade and investment relationship with the United States, according to Department of Trade and Industry (DTI) Director General Tsheido Matona. Charge d'Affaires called on Matona on April 29 to discuss the status of the Trade, Investment and Development Cooperation Agreement (TIDCA) and the South African Government's (SAG) response to the global economic crisis. The DG was accompanied by Deputy Director General of Trade and Investment South Africa Iqbal Sharma, Director of the Americas Desk Victor Mashabela, and International Trade Administration Commission (ITAC) Director of Trade Remedies Carina Grove. Charge La Lime was joined by the Deputy Economic Counselor, the Deputy Senior Commercial Officer, the Deputy Agriculture Attache, and the Trade and Investment Officer (notetaker).

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BILATERAL TRADE AND IMPLEMENTING TIDCA  
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3. (SBU) Matona saw an opportunity to broaden and strengthen our trade relationship, given leadership changes in the U.S. and South Africa. He stressed the importance of moving forward on TIDCA, saying, "TIDCA is the only instrument that we have to manage our relationship; we must figure out how to use TIDCA." He raised several possible agenda items for TIDCA, including:

-- Promotion of bilateral trade and investment  
-- Promotion of business-to-business contacts  
-- Cooperation in product standards  
-- Dumping cases and the tensions they cause for the bilateral relationship  
-- Ways of enhancing and perpetuating African Growth and Opportunity Act (AGOA) benefits

¶4. (SBU) Charge asked Matona for his assistance in getting TIDCA working groups up and running before the AGOA Forum that will be held in Kenya in August. Matona said SACU would aim to reach agreement on a proposed TIDCA agenda at the SACU Trade Committee meeting on May 18. Assuming that agreement is reached, SACU would then invite the U.S. to send negotiators to meet with their SACU counterparts prior to the SACU Council of Ministers meeting in Namibia in June.

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G20 COMMITMENTS ON PROTECTIONISM  
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¶5. (SBU) Matona stressed that all countries must resist protectionist and "beggar thy neighbor" policies. Domestic actions have global implications, he commented, and South Africa will not retreat into protectionism or retreat from trade." Asked about media reports that South Africa might raise some tariffs to WTO-bound levels to shield firms from competition, Matona explained that the SAG might provide "temporary relief" to certain sectors to help them "weather the storm. He noted, however, that developing countries, in particular, would be the biggest casualties of a slide into protectionism. He called on the U.S. to exercise leadership to maintain an open trading system in this time of economic turmoil.

PRETORIA 00000924 002.2 OF 002

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CORPORATE COUNCIL ON AFRICA AND ICT BILATERAL FORUM  
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¶6. (SBU) Deputy Senior Commercial Officer invited the DTI to send a delegation to the Corporate Council on Africa meeting in Washington in September. Matona said President-Elect Zuma's new minister of trade and industry would attend and that he (Matona) would urge President-Elect Zuma to lead the delegation. Deputy Senior Commercial Officer also outlined cooperative efforts by post and the American Chamber of Commerce to establish a bilateral information and communications technology (ICT) forum to use ICT to further the African National Congress' Polokwane goals in the areas of crime, education, and health care.

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INVITATION TO TRADE AND INVESTMENT CONFERENCE  
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¶7. (SBU) Sharma said DTI is planning a trade and investment conference in Johannesburg October 27-29, 2009. Matona requested that a U.S. Cabinet-level official lead the U.S. business delegation to the conference and to participate as a panelist. A formal invitation to the conference will be forthcoming.

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DUMPING LITIGATION  
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¶8. (SBU) Deputy Agricultural Attache requested an update on the anti-dumping duties on U.S. poultry parts and other goods. Grove said DTI plans to go to court to request clarification of a Supreme Court of Appeal opinion in 2007 that had called into question the validity of the duties. ITAC expects to file its request with the court within the next few months.

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COMMENT  
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19. (SBU) Post is encouraged that Matona wishes to deepen South Africa's trade and investment relationship with the United States and that he wants to make progress on the TIDCA. The new Zuma administration may offer the opportunity to improve our bilateral trade relationship. Post recommends seriously considering the request to have a Cabinet-level USG official lead a business delegation to DTI's trade and investment conference in October.

LA LIME